GREAT WATERWAYS MUTUAL INSURANCE COMPANY

By-Law No. 1 – 2027

BY-LAW NO. 1-2027

A By-Law relating generally to the transaction
of the business and affairs of
GREAT WATERWAYS MUTUAL INSURANCE COMPANY
(the "**Corporation**")

WHEREAS Great Waterways Mutual Insurance Company (the "**Corporation**") will begin business January 1, 2027 as a result of the amalgamation of Bay of Quinte Mutual Insurance Co. and L & A Mutual Insurance Company, by license issued under the *Insurance Act* as amended, and be subject to the provisions of Part V of the *Corporation Act*;

NOW THEREFORE BE IT ENACTED, and it is hereby enacted as follows:

Definitions and Interpretation

1. In this Bylaw, unless the context otherwise requires:

   (a) "Act" means the *Corporations Act (Ontario)*;

   (b) "Affiliated" has the meaning set out in the Insurance Act and "affiliated individual" and "affiliated entities" has a corresponding meaning;

   (c) "Board" means the Board of Directors of the Corporation and "Director" means a member of the Board of Directors;

   (d) "Corporation" means GREAT WATERWAYS MUTUAL INSURANCE COMPANY;

   (e) "Insurance Act" means the *Insurance Act (Ontario)*.

2. In this By-law (unless the context requires otherwise):

   (a) words imparting the singular number include the plural.

   (b) "person" shall include firms, partnerships, trustee boards and corporations.

   (c) legislative references include any regulations thereunder, and any amendments which are then in effect.

3. In the event any provision of this Bylaw is, or through amendment becomes, inconsistent with any relevant provision of the Act, the Insurance Act, or any regulation thereunder, the offending section of this By-law shall deemed amended to the extent of such inconsistency.

Objects

4. Subject to the power granted under the Letters Patent, the purpose and business of the Corporation shall be insuring, under any class of insurance for which a Mutual Insurance Company may be licensed in Ontario pursuant to the Insurance Act and as provided for in Part V of the Act and the carrying on of or involvement in any business or activity which a mutual insurance company is permitted to carry on or be involved in.

Head Office

5. The Head Office of the Corporation shall be located in Prince Edward County or Lennox & Addington County, in the Province of Ontario.

Membership and Meetings of Members

Membership

6. Any person insured under a policy issued by the Corporation shall from the date upon which the insurance is effective, be deemed a member of the Corporation so long as such insurance remains in force and shall cease to be a member when such insurance is terminated or expires. A reinsurance policy issued to any other insurance company on the cash plan shall not qualify it or any representative of it for membership in the Corporation.

7. Any member may withdraw from the Corporation, subject to the provisions of the Insurance Act.

8. Members' liability. No member shall be liable, in their capacity as a member, in respect of any claim or demand against the Corporation beyond the member's unpaid premium.

Annual Meeting

9. The annual meeting of the members for the election of Directors and the transaction of other business shall be held on such date and at such time and place as the Directors may determine in accordance with the Act.

10. Before the election the annual statement for the year ending on the previous 31st day of December shall be presented.

11. If an election of Directors is not held on the day on which it ought to have been made, the Corporation shall not for that cause be dissolved, but the election may be held on a subsequent day at a meeting to be called by the Directors, or as otherwise provided by the by-laws of the Corporation, and in such case the Directors then in office shall continue to hold office until their successors are elected.

Notice of General Meeting

12. Notice of every annual or special general meeting of the Corporation shall be given to the Members of the Corporation in the manner prescribed by the Act.

13. The Directors may call a special general meeting of the Corporation at any time.

14. The Directors shall, prior to each annual meeting, cause the annual statement for the year ending on the previous 31st of December to be delivered, served upon or made available to each member in the manner prescribed from time to time by the Act, which statements shall be certified by the auditors and be in the form prescribed by the regulations made under the Insurance Act.

Quorum (Members Meetings)

15. Seven (7) members present in person shall constitute a quorum for the transaction of business at any general meeting, subject to Section 16.

16. The quorum for a meeting called to vote on demutualization, wind up or any other form of dissolution of the corporation (except for the discontinuance of the Corporation as a result of its amalgamation with another), shall require at least Fifty Percent (50%) of all members, present in person.

Voting at Members Meetings

17. At any general meeting, unless a poll is demanded, a declaration by the Chair that a resolution has been carried, and an entry to that effect in the minutes shall be prima facie evidence of the fact without proof of or against such resolution. If a poll is demanded it shall be taken in such manner as the Chair directs consistent with these by-laws.

18. A member of the Corporation who is not in arrears for payment due by the member to the Corporation is entitled at all meetings of the Corporation to one vote, if the amount of premium paid by the member annually is in excess of $25.00, and no member is entitled to more than one vote.

19. Where a policy is made to two or more persons, one only is entitled to vote, and the right of voting belongs to the one first named on the register of policyholders if present or, if not present, to the one who stands second, and so on.

20. Where property is insured by a trustee board, a partnership or a corporation, any member of the board or the partnership or the corporation who is duly appointed and authorized in writing pursuant to its resolution may vote on its behalf.

21. No mere applicant for insurance is competent to vote or otherwise take part in the Corporation's proceedings until his application has been accepted by the Directors.

22. Casting vote: All questions proposed for the consideration of the members at an annual general or special general meeting of members shall be determined by the majority of the votes cast. In the case of an equality of votes the Chair of the meeting shall be entitled to a second or casting vote.

Meeting Chair

23. The Chair of the Board, or in their absence the Vice-Chair (or First Vice-Chair if there is more than one), shall act as Chair at meetings of the Members.

Directors

Number, Qualification, and Election

24. Number of Directors.

(a) The affairs of the Corporation shall be managed by a Board of Directors consisting of no less than six (6) and no more than fifteen (15) Directors.

(b) Until changed in accordance with the Act, there shall be ► Directors.

(c) The number of directors may from time to time be increased or decreased in accordance with the Act.

25. Limit on Affiliated Directors: No more than two-thirds of the Directors shall be Affiliated with the Corporation. The determination of whether an individual is Affiliated with the Corporation shall be made annually prior to the Annual General Meeting of the Corporation, and shall apply until the next Annual General Meeting.

26. Qualification of Directors.

(a) A Director shall be eighteen (18) years of age, and be a resident of the Province of Ontario.

(b) No undischarged bankrupt shall be a Director.

(c) No person is eligible to be or shall act as a Director unless the person:

(i) has been a Member of the Corporation and insured therein, entitled to vote, for no less than One (1) year prior to the person's election or appointment to office; and

(ii) the person remains a member of the Corporation and insured therein, entitled to vote, for the time the person holds office.

27. Persons Ineligible. Notwithstanding any other provision of the By-laws of the Corporation, the following persons are not eligible to be elected as a Director of the Corporation and shall not interfere in the election of Directors:

(a) An Insurance Broker or Insurance Agent associated with the Corporation, or anyone having a financial interest in an insurance brokerage or insurance agency associated with the Corporation;

(b) A Director, Officer, shareholder, employee or agent of an insurance brokerage or insurance agency business associated with the Corporation;

(c) An agent or paid Officer of the Corporation (subject to the right of a director who is an officer, such as Chair or Vice Chair to be compensated as a result of holding such office);

(d) An officer of the Bankers of the Corporation;

(e) An employee of the Corporation including the President of the Corporation;

(f) A Director or Officer of another Insurance Company which competes with or sells the same or similar insurance as the Corporation, other than an insurance company which is a subsidiary or affiliate of the Corporation or the Farm Mutual Reinsurance Plan Inc.;

(g) A spouse as defined in the Act, parent or child of any of the persons identified in subsections (a) through (f) inclusive.

(h) A relative (as defined in the previous subsection (g)) of a current Director of the Corporation.

28. Directors Affiliated with Corporate, Partnership or Trustee Members

(a) Where a partnership or trustee board has the qualifications that would qualify an individual to be a Director of the Corporation, one Member of the partnership, or trustee board that has the qualifications that would qualify an individual to be a Director is eligible to be a Director of the Corporation.

(b) A director or officer of a Member corporation that has the qualifications that would qualify an individual to be a Director is eligible to be a Director of the Corporation.

29. Nominations

(a) The Board shall annually appoint a Nomination Committee, all of whom need not be Directors.

(b) The mandate of the Nomination Committee is to each year compile a list of nominees for election to the Board from those persons who have filed notice of their intention to seek election in accordance with this Section, persons identified by the Committee as potential nominees, having regard to:

(i) the Board's skill set requirements and needs;

(ii) acceptable peer review feedback in relation to incumbent Directors as may be available and applicable;

(iii) the geographical diversity of the communities that the Corporation serves; and

(iv) any other factor which the Nomination Committee believes to be in the best interest of the Corporation.

(c) Any person wishing to seek election or re-election as a Director must file their intention in writing with the Chair of the Committee prior to the 1st day of October before the Annual General Meeting at which election or re-election as a Director is sought.

(d) The Committee shall consider all persons who have filed notice of their intention to seek election, including incumbent Directors who have filed a notice. The Committee shall conduct the following due diligence on each person seeking election or re-election as a Director:

(i) confirm each person's qualification to be elected as a Director;

(ii) evaluate each person in relation to the factors set out above;

(iii) assess each person's personal and professional integrity and commitment to promote the long-term interests of the Corporation, and each person's commitment to devote adequate time to serve as a Board member; and

(iv) interview each person.

(e) No later than the 31st day of December in the year preceding the meeting at which Directors are to be elected the Nomination Committee shall present to the Board the names of the nominees it, by majority vote, recommends for election as Directors.

(f) Those persons not recommended by the Nomination Committee and approved by the Board may, by written notice to the Corporation no more than Five (5) days after being so notified, elect to continue to stand for election as a Director.

30. <u>Three Year Terms & One-Third Rotation.</u>

(a) The initial slate of Directors on amalgamation shall hold office for their respective terms set out in the Amalgamation Agreement.

(b) Thereafter, Directors shall be elected for terms of Three (3) years in length.

(c) The Directors shall be divided into Three (3) cohorts, and the term of one such cohort shall expire at each Annual General Meeting.

(d) If the number of Directors is divisible by three (3) each cohort shall be equal in number, otherwise no cohort shall exceed by more than one the number of Directors in any other cohort.

(e) Upon an increase or decrease in the number of Directors number, the length of their terms shall be determined in accordance with the Act.

31. Annual Election of Directors.

(a) At every Annual General Meeting one-third of the total number of Directors shall be elected for a period of three years to fill the places of the retiring Directors, who are eligible for re-election. In the event the number of directors is changed to a number that is not divisible by three, the number whose terms expire in any given year shall not exceed by more than one the number whose terms expire in any other year.

(b) The election of Directors shall be held and made by such members as attend for that purpose in person, or in the case of a Corporation or partnership or trustee board, by a Director, officer or member authorized in writing to represent it.

(c) The election shall be by ballot. Members may vote for up to the number of directors as there are positions to be filled but need not vote for all positions available and may only cast one vote per candidate on a ballot.

(d) If two or more members have an equal number of votes, so that less than the whole number to be elected appear to have been chosen Directors by a majority of votes, the members present shall proceed to ballot until it is determined which of the persons so having an equal number of votes shall be the Director, or Directors.

32. Removal of Directors. A Director may be removed from office and shall thereupon cease to be a Director of the Corporation, upon a resolution being passed to remove the Director by at least Two-Thirds (2/3) of the votes cast at a general meeting of members of which notice specifying the intention to pass such a resolution was properly given.

33. Interim Vacancies on Board. If a vacancy occurs among the Directors, by death, resignation, ceasing to have the prescribed qualifications or by absence without previous leave of the Directors from three successive regular meetings, which shall by reason of that fact create such vacancy, or as a result of a Director being removed from office by a resolution passed pursuant to Section 32, the vacancy may be filled, until the next Annual General Meeting, by any person duly qualified, chosen by a majority of the remaining Directors, and at the next Annual General Meeting the vacancy shall be filled for the unexpired portion of the term.

Directors Meetings

34. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business, and in the case of an equality of votes at any meeting, the question passes in the negative.

35. All meetings of the Directors shall be held at the head office of the Corporation or at such other place as the Board may determine from time to time, at the call of the Chair. Regular meetings may be scheduled for such day and time and place as the Board of Directors may

determine. A special meeting of the Directors may be called at any time by the Chair and shall be called at any time when required by three Directors.

36. No notice need be given for regularly scheduled meetings of the Board. Notice of all other meetings shall be mailed, delivered, sent by e-mail or other electronic means, or otherwise given to each Director not later than the third business day preceding the date of the meeting.

37. A Director disagreeing with the majority at a meeting may have their dissent recorded in the minutes, with their reasons therefor.

Conflicts of Interest

38. A Director who has or may have a conflict of interest with the Corporation as defined in the Act or any policies of the Board dealing with conflicts of interest, such as being directly or indirectly interested in a contract or proposed contract with the Corporation shall make the disclosure required by the Act. and any policies of the Board, and comply with the Act and such policies in connection therewith.

Remuneration

39. Directors of the Corporation shall be entitled to reasonable remuneration as determined by the Board of Directors from time to time for attending meetings of the Board, Committees of the Board, and for fulfilling their duties as Directors. The Chair, Vice-Chairs and Committee Chairs may be paid a sum annually for acting as such, as determined by the Board of Directors from time to time. In addition, each Director shall be reimbursed their reasonable expenses incurred in the performance of their duties as Directors, as the Board may from time to time approve.

Committees

40. Executive Committee. The Board may establish and Executive Committee. If so established the members of the Committee shall be the Chair and Vice-Chairs or such other persons as are designated by the Board from time to time. The Committee shall meet at the call of the Chair to advise and assist the President in dealing with emergency business during the intervals between meeting of the Directors, or to dispose of routine business in accordance with instructions of the Directors. During the absence or inability of a member of the Executive Committee, other Director shall be invited to act on the Committee in the members place and stead.

41. Other Committees.

    (a) The Board shall constitute as standing committees of the Board:

        (i) the Committees required under the Insurance Act, including an Audit Committee and a Conduct Review Committee, which shall be comprised of such persons, and be charged with such terms, as required under the Insurance Act;

(ii) the Nomination Committee described in Section 29; and

(iii) such other Committees as the Board deems necessary or useful, from time to time.

(b) Such other Committees of the Board shall meet at the call of the Chair of the Board or the Chair of the Committee.

Minutes

42. Minutes of all meetings of the Directors and of all Committees of the Board shall be recorded by the President or Secretary or someone appointed by the Board or Committee. Such minutes shall be open for inspection by any Director at any reasonable time.

Officers

43. Chair and Vice-Chairs. The Directors shall at their first meeting held after each Annual General Meeting of the Corporation, elect by ballot from among themselves a Chair, and if deemed necessary one or more Vice-Chair(s). The Secretary shall preside at such elections. They shall hold office for one year, or until their successors are elected. The Chair shall preside at all meetings of the Directors and Members, and shall perform other duties as may pertain to the office of the Chair. In the absence of the Chair, the Vice-Chair (or first Vice-Chair if there is more than one) shall perform the duties of the Chair.

44. Other Officers. The other officers of the Corporation, who shall be appointed by the Board of Directors, shall be the President, Secretary, Treasurer (who may also be known as the Chief Financial Officer), and such other officers as the Directors deem necessary from time to time. The President shall be the Chief Executive Officer responsible to the Board of Directors for the overall operation of the Corporation.

45. Appointment. Such other officers of the Corporation appointed by the Directors shall have such duties and be entitled to such remuneration as specified by the Board; and they shall hold office at the pleasure of the Directors.

46. Duties may be Delegated. In the case of the absence or inability of the Chair or a Vice-Chair, or any other officer of the Corporation, a majority of the remaining Directors may delegate the powers and duties of such officers to any other officer or to any Director for the time being.

47. Bond. The security given by the officers having charge of the money of the Corporation shall be of such amount determined by the Board, or as may be required by the Financial Services Regulatory Authority of Ontario.

Electronic Meetings

Members Meetings

48. The Board may determine that any meeting of Members may be held entirely in person, by one or more telephonic or electronic means, or by any combination of in-person attendance and telephonic or electronic means.

49. If members are permitted to attend or participate by electronic means:

   (a) the Corporation shall make available means that permit Members to communicate adequately with each other during the meeting and to reasonably participate; and

   (b) if there is to be an election of directors at such meeting, the Corporation has implemented a process by which votes may be verified as having been made by Members entitled to vote and the Corporation is not able to identify how each Member voted.

50. Any member who participates in the meeting by telephonic or electronic means or votes shall be deemed to be present in person at the meeting.

Directors Meetings

51. If all the Directors present at or participating in the meeting consent, a meeting of Directors or of a Committee of Directors may be held by such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a Director participating in the meeting by those means is deemed to be present at the meeting.

52. Directors may determine that any meeting be held entirely by telephonic or electronic means.

53. If Directors are permitted to attend and participate by telephonic or electronic means, the notice of the meeting must include instructions for attending and participating in the meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.

Execution of Documents, Banking, and Investments

Execution of Documents

54. Such person or persons as are designated by the Board from time to time are hereby authorized and shall have power to execute and deliver all policies of insurance, deeds, mortgages, leases, contracts, cheques, or other documents whatsoever requisite or expedient to be executed on behalf of the Corporation.

Seal

55. The Corporation shall not be required to adopt a corporate seal.

Banking

56. The bank of the Corporation shall be such Canadian bank or credit union as the Directors may from time to time appoint.

57. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the Board of Directors may by resolution from time to time designate, direct or authorize.

Borrowing

58. Without limiting the borrowing powers of the Corporation as set forth in the Act, the Directors of the Corporation may, from time to time, without the authorization of the Members:

(a) borrow money on the credit of the Corporation; and

(b) charge, mortgage, hypothecate or pledge or otherwise create a security interest in all or any of the real or personal property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any present or future indebtedness, liabilities or other obligations of the Corporation.

Investments

59. The Corporation shall invest its funds in any securities and other investments in which, under the Insurance Act as may be amended from time to time, the Corporation may invest its funds.

60. The Directors shall formulate policies, standards and procedures for the investment of the funds of the Corporation, which policies, standards and procedures shall be reviewed no less than annually and revised as necessary.

61. Such person or persons as are authorized by the Board from time to time, may give on behalf of the Corporation, and on payment of the money at maturity, a legal discharge of any security for money held by the Corporation.

Refunds from Surplus

62. The Directors may declare a refund from surplus at the end of a calendar year upon such terms and subject to such conditions as they may determine.

Limitation of Liability

63. Limitation of Liability of Directors and Officers. No Director or Officer or past Director or Officer of the Corporation shall be liable for the acts, receipts, neglects or

defaults of any other Director or Officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested , or for any loss or damage arising from the bankruptcy, insolvency or tortious acts or any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or in relation thereto, unless the same are occasioned by their own willful neglect or default; but that nothing herein shall relieve any Director or Officer from the duty to act in accordance with the Act, the Insurance Act or any other pertinent legislation affecting the Corporation or from liability for any breach thereof.

64. Indemnification of Directors and Officers. Except as provided in the Act or the Insurance Act, every Director and Officer of the Corporation, every former Director or Officer of the Corporation, or a person who acts or acted at the Corporation's request as a Director or Officer of the Corporation or as a Director or Officer of a corporate body of which the Corporation is or was a shareholder or creditor, and their legal representatives shall, from time to time be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by them in respect of any civil, criminal or administrative act or proceeding to which they are made a party by reason of being or having been a Director or Officer of the Corporation if, (i) they acted honestly and in good faith with a view to the best interest of the Corporation; and (ii) in the case of a criminal or administration action or proceeding as enforced by monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

65. Directors and Officers Liability Insurance. Subject to the limitations contained in the Act and the Insurance Act, the Corporation may purchase and maintain such insurance for the benefit of its Directors and Officers as such, as the Board may from time to time determine.

Auditors

66. The members entitled to vote thereat shall at each annual meeting appoint one or more auditors to hold office until the next annual general meeting unless previously removed by a resolution of the members in a general meeting, and if an appointment is not so made, the auditor in office shall continue in office until a successor is appointed. If so authorized by the members, the remuneration of the auditors shall be fixed by the Directors.

67. The auditors shall make a report to the members on the accounts examined by them, and the balance sheet and other statements shall be in the form prescribed by Financial Services Regulatory Authority of Ontario, and applicable accounting standards and practices.

Amendments to By-Law

68. This By-law and any other by laws of the Corporation, other than those which are restatements of statutory provisions, may from time to time be amended, repealed, varied or otherwise dealt with in accordance with the provisions of the Act.

[*SIGNATURE PAGE IMMEDIATELY FOLLOWS*]

ENACTED by the Boards of Directors of the amalgamating Corporations.

BAY OF QUINTE MUTUAL INSURANCE CO.

DATE: ___________________, 2026

Chair	Secretary

L & A MUTUAL INSURANCE COMPANY

DATE: ___________________, 2026

Chair	Secretary

CONFIRMED by the Members of the Amalgamating Corporations.

BAY OF QUINTE MUTUAL INSURANCE CO.

DATE: ___________________, 2026

Chair	Secretary

L & A MUTUAL INSURANCE COMPANY

DATE: ___________________, 2026

Chair	Secretary